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*Counsel to the Debtors and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 22-10964 (MG)  
)  
) (Jointly Administered)  
)

**NOTICE OF FILING OF MARCH 8, 2023, HEARING PRESENTATION**

**PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby file the presentation (the “Presentation”), attached hereto as **Exhibit A**, that will be used at the hearing that will take place on **Wednesday, March 8, 2023 at 11:00 a.m., prevailing Eastern Time** (the “Hearing”) before the Honorable Martin Glenn, Chief United States Bankruptcy Judge of the United States Bankruptcy Court for the Southern District of New York.

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

**PLEASE TAKE FURTHER NOTICE** that copies of the Presentation and other pleadings filed in the above-captioned chapter 11 cases may be obtained free of charge by visiting the website of Stretto at <http://www.cases.stretto.com/celsius>. You may also obtain copies of any pleadings by visiting the Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

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New York, New York  
Dated: March 7, 2023

/s/ Joshua A. Sussberg

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*Counsel to the Debtors and Debtors in Possession*

**Exhibit A**

**Presentation**



# Opening Statement

March 2023

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## Custody Withdrawals: Progress Update (March 07, 2023)

### Custody Withdrawals:

On December 20, 2022, the Court authorized Celsius to return custody coins to **Eligible Users**.

Celsius is currently authorized to distribute 94% of each Eligible User's Distributable Custody Assets less transaction fees.

Withdrawals opened on March 2, 2023.

#### KYC update

- Approximately 60% of the eligible user population has initiated a KYC reset
- The vast majority of those have been processed and approved
- Eligible users who have passed KYC account for \$33M worth of the custody assets

#### Customer Inquiries

- Since opening for withdrawals, 1,900 tickets have been opened for eligible users.
- Tickets are primarily for withdrawals needing additional review and customers coming back to the platform to ready their account for withdrawals (KYC/2FA/PIN, etc).
- Oldest withdrawal ticket without a Celsius response is one day

#### Withdrawal Status

- Automatic withdrawals are being processed within current 24-hour Service Level Agreement (SLA), while internal reviews could lead to delay for some clients.
- During this time, 43% of eligible custody balance was withdrawn, 52% including pending transactions
- Approximately \$21.2 million in completed and pending withdrawals

#### Security

- As of March 7, 234 transactions were identified as High Risk and stopped
- All security policies are working as expected, including topping up frictional wallets
- Security Operations Center (SOC) handled over 100 alerts, five phishing attacks. No critical alerts thus far.



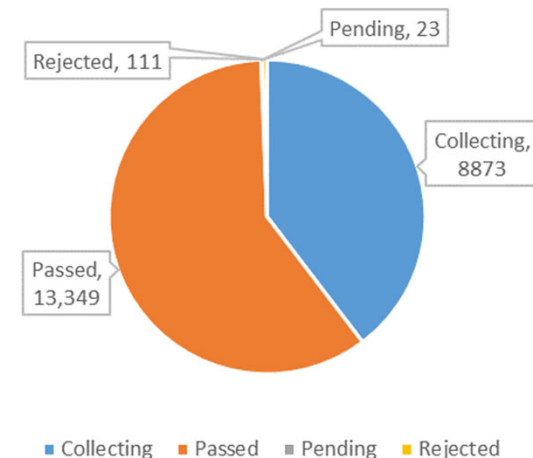
## Custody Withdrawals: KYC Status Update - Documentary and Watchlist checks

On February 15, 2023, Celsius reset the KYC for all Eligible Users who had sufficient balances<sup>(1)</sup> in their Custody Accounts to cover withdrawal fees.

The KYC is a component of the Celsius BSA/AML program and requires that all customers provide the following information:

- Full name, address, DOB and SSN/Tax ID
- Copy of a Government Issued ID and confirm validity
- Confirm the account name matches the name on the ID
- Screen users against Sanctions, PEP, and Adverse Media Lists
- Confirm SSN/Tax ID against IRS database

KYC Reset Status



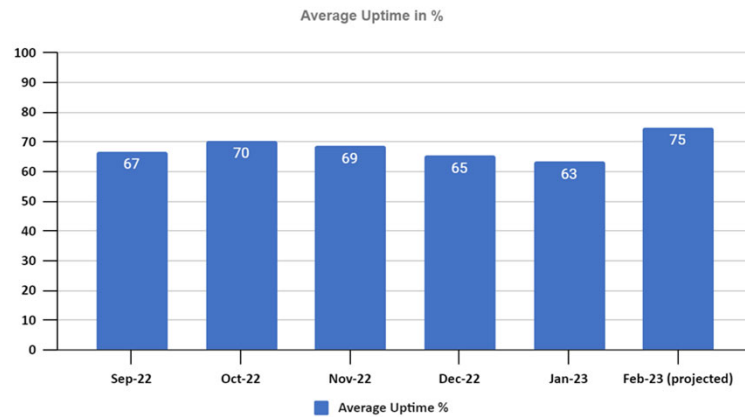
Total users with KYC reset: 22,356  
Re-KYC process not started (Collecting): 8,873  
KYC Passed: 13,349  
Pending Manual Review: 23  
Rejected: 111

(1) Celsius is authorized to distribute 94% of each Eligible User's Distributable Custody Assets less transaction fees.

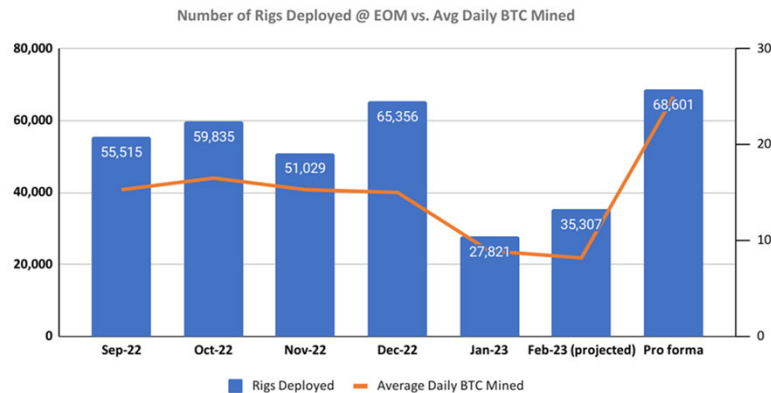


## Mining - Trending

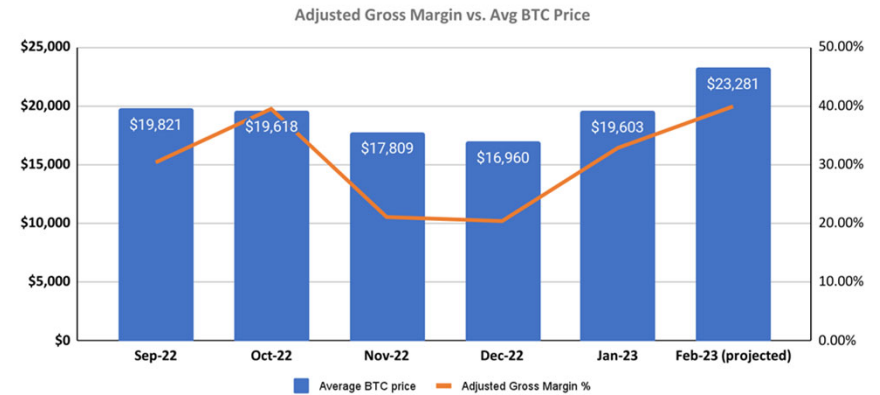
**Average uptime trending up due to lower electricity cost + higher BTC price**



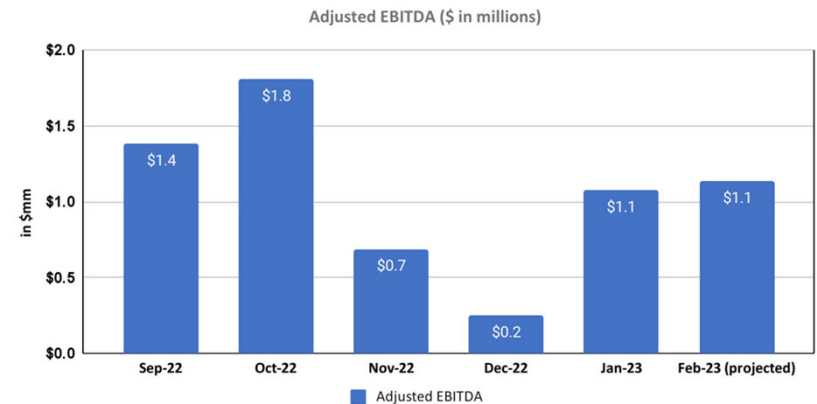
**Number of rigs deployed decreased due to Core's rigs being offline<sup>(1)</sup>**



**Gross Margin increasing due to higher BTC price**



**Adjusted EBITDA recovered due to higher BTC prices**



(1) Proforma reflects rigs to be deployed (GXD, Hardin and East Stiles)



## Cash Flow Statement (Petition Date - February 2023)

**Net Operating Cash<sup>(1)</sup> of \$119mm since Petition Date.**

**We currently have \$139mm of cash on hand - flat to the Petition Date.**

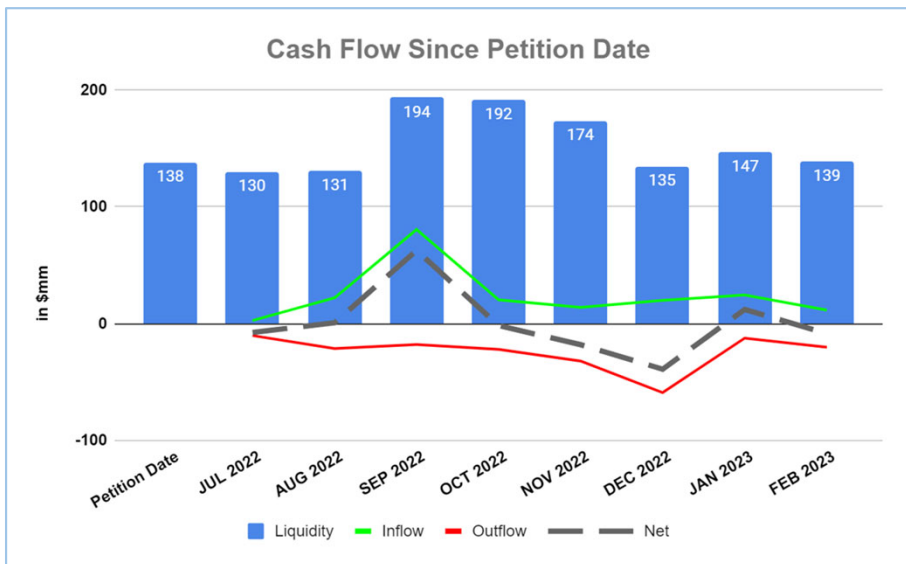
### **Operating Inflow: \$197mm**

- 1) **\$48mm** inflow from interest payments on investments and loans
- 2) **\$57mm** from selling of mined BTC
- 3) **\$92mm** from cash withdrawal from the exchanges and sales of stablecoins

### **Operating Outflow: -\$77mm**

- 1) **\$38mm** of hosting fees for mining
- 2) **\$25mm** for payroll and other account payables
- 3) **\$14mm** for other expenses

<i>in \$mm</i>	Non-Mining	Mining	Total
Operating Inflow	139	57	197
Operating Outflow	(39)	(38)	(77)
<b>Net Operating Cash Flow</b>	<b>100</b>	<b>19</b>	<b>119</b>
Restructuring Fees	(70)	0	(70)
Capital Expenditure	0	(49)	(49)
<b>Net Cash Flow</b>	<b>30</b>	<b>(30)</b>	<b>0</b>



(1) Net Operating Cash excludes Restructuring Fees and Capital Expenditures